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Auditor's Report *(Translation of the Finnish Original)*

To the Annual General Meeting of Olvi Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial performance and financial position and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of Olvi Oyj (business identity code 0170318-9) for the year ended 31 December, 2016. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies

- the parent company's balance sheet, income statement, statement of cash flows and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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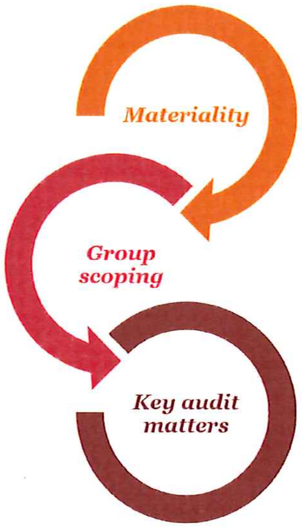
Our Audit Approach

Overview



- Overall group materiality: € 2.0 million, which is 5% of result before taxes.

- Scope of the audit: The scope of the audit in subsidiaries was determined based on the significance of the subsidiaries and risks, in order to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error. An audit was performed in all group companies.

- Impairment testing - Goodwill
- Existence and valuation of inventories

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€ 2.0 million
How we determined it	5% of result before taxes
Rationale for the materiality benchmark applied	We chose result before taxes as the benchmark for determining materiality, as we understand that it is the measure most commonly used by readers of the financial statements when assessing the performance of the group. Furthermore, result before taxes is a generally accepted benchmark. We chose 5%, which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

We determined the type of work that needed to be performed at group companies by either the group engagement team, or local PwC network firms operating under our instruction. An audit was performed in all group companies.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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Key audit matter in the audit of the Group	How our audit addressed the key audit matter
Impairment testing – goodwill *Refer to "Goodwill" and "Accounting policies involving management judgement and key uncertainties relating to estimates" under Consolidated accounting policies , and note 14 "Impairment testing for goodwill".* The carrying value of goodwill, ca. € 16 million, is supported by the annual impairment testing performed by the company. No impairment losses were recognized on this balance sheet item during the financial period. As described in the notes to the consolidated financial statements, the estimated future cash flows used in impairment testing are based on the operating segments' financial plans approved by group management. Our audit was focused to cover the risk that the assumptions used in impairment testing would not be appropriate and that goodwill would be overstated in the balance sheet.	Audit procedures relating to goodwill comprised of testing the impairment calculations made by the company. The procedures included the following: • We obtained an understanding of the methodology used by the company for impairment testing against applicable accounting standards, and of the consistency of the methodology as compared to previous years; • We assessed the variables used in impairment tests for each cash-generating unit by utilizing external and internal information sources as well as strategies and budgets approved by the company's Board of Directors; • We tested the mathematical accuracy of the calculations; • We considered the reasonableness of assumptions used in the calculations; • We reviewed the sensitivity analysis made by the company to estimate the extent of movement in key assumptions that would result in the recognition of impairment; • We reviewed the basis, reasonableness and mathematical accuracy of the discount rate (WACC) used and; • We compared the cash-flow estimations from prior years to the actuals to assess, whether the company's process of estimation is reliable.
Valuation and existence of inventory *Refer to "Inventories" under Consolidated accounting policies and note 17 "Inventories".* The inventories of the group amounted to ca. € 33 million. Our audit of inventories was focused around the risk that there would be a material misstatement relating to the existence of inventories, or that the valuation of inventories would not comply with the accounting policies applied. In the audit of finished and unfinished goods, our special focus was on the accuracy of the capitalization of variable and fixed production costs.	Our audit procedures on the valuation and existence of inventories consisted mainly of the following: In order to ascertain the existence of inventories, we assessed and reviewed the controls implemented and executed by the group to ensure the existence of inventories. We observed the periodic physical inventory counts. We also performed analytical procedures as well as tests of details of individual transactions. As for the valuation of inventories, we assessed and reviewed the controls relating to valuation. We updated our understanding of the operations and polices relating to the process of capitalizing variable and fixed costs in unfinished goods, and tested the price formation on an item-by-item basis. For materials and supplies, we compared the price recognized in the balance sheet to the latest purchase invoice, to ensure that the inventory of materials and supplies is valued in accordance with the accounting policies applied.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors and in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements

- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Iisalmi 21 March 2017

PricewaterhouseCoopers Oy
Authorised Public Accountants

Sami Posti
Authorised Public Accountant (KHT)